IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.691 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.657 OF 2007

In the matter of Scheme of Arrangement between Vintage Cards & Creations Ltd. and its Equity Shareholders and Unsecured Creditors.

Vintage Cards & Creations Ltd. .. Petitioner.

Mr.Ashish Parwani with Mr.Amish Shroff i/b Rajani Associates for the petitioners.

Mr.N.D.Sharma with Mr.C.J.Joy i/b H.P.Chaturvedi for the Regional Director.

CORAM : D.B.BHOSALE, J.
DATED : 12TH OCTOBER, 2007.

P.C.:

1. The sanction of the Court is sought to a Scheme of arrangement between Vintage Cards & Creations Ltd. and its equity shareholders and unsecured creditors under sections 391 to 394 read with sections 100 and 104 of the Companies Act, 1956.

2. The petitioner proposes to reduce its paid up equity share capital which will be adjusted against the accumulated losses of the petitioner. A categoric statement has been made that the reduction

of share capital does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and hence the provisions of section 101(2) of the Companies Act, 1956 are not applicable. The petitioner also proposes to restructure its current unsecured debt by giving the Unsecured Creditors to select either: Plan ‘A’ - conversion of advances into equity; or Plan ‘B’ - conversion of advances into zero percent Optionally Convertible Debentures over a period of 18 months; or Plan ‘C’ - deferred cash payment over a period of eight years. The petitioner have also stated that the reduction of the current equity share capital is esential to adjust the accumulated losses of the petitioner, which could not be otherwise set off in the ordinary course of business for a long time and will continue to plague the performance of the petitioner. It appears that the petitioner are planning to expand its line of business into designing, manufacturing and marketing of gift items. The petitioner further state that on the sanction of scheme, the net-worth of the petitioner shall become positive.

3. Counsel appearing on behalf of the Petitioner has stated before the Court that all the equity shareholders have granted their consents in the

meeting of the shareholders convened at its registered office in pursuance of the orders passed by this court. He further submitted that there are no Preference shareholders or Secured creditors. Insofar as the Unsecured creditors are concerned, he submitted, that all Unsecured creditors have opted either for Plan ‘A’ or ‘B’ as aforestated. All the Unsecured creditors in the meeting convened in pursuance of the orders issued by this court have granted their consents to the scheme.

4. Insofar as sundry creditors are concerned, the court has been informed by learned counsel that individual notices were dispatched to the sundry creditors in pursuance of the directions issued by this court while dispensing with their meeting. None of the sundry creditors has come forward to oppose the scheme.

5. Upon perusal of the entire material placed on record, the scheme appears to be fair and reasonable and it is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned has come forward to oppose the scheme. Moreover, the Regional Director has stated that the scheme as proposed is not contrary to the public interest or prejudicial to interest of the

shareholders or creditors.

6. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled, Company Petition is made absolute in terms of prayer clauses (a) to (h).

7. The Petitioner to pay costs of Rs.5000/- to the Regional Director to be paid within four weeks from today.

8. Filing and issuance of drawn up order is dispensed with.

9. All authorities concerned to act on a copy of this order duly authenticated by the Registry.

(D.B.BHOSALE, J.)